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SOURCE Shih-pao.HONG KONG TRADERS EXPERIENCE TRADE VAGARIES

REPORTS HONG KONG-NORTHEAST TRADE IN DCLDRUMS -- Hong Kong Shih-pao, 12 May 50

Traders interested in the Hong Kong trade with Dairen and the Northeast report that only three boats are making that run regularly, as compared with eight some time ago. Reasons given for the slackness are:

1. The seasonal peak of the Northeast export trade is past.
2. Prices of soybeans and bean cake are low in Hong Kong.
3. The Northeast is not importing much because of lack of foreign exchange credits abroad.
4. The Northeast is trading with the Soviet Union and her satellites and more recently with Japan.

Observers take a dim view of the possibilities of reviving Hong Kong's trade with the Northeast.

HONG KONG-TSINGTAO TRADE FLOURISHING -- Hong Kong Shih-pao, 13 May 50

Trade between Hong Kong and Tsingtao is reported very brisk. Chinese special export goods are coming out of Tsingtao in large quantities, and North China is taking through that port increasing quantities of machinery, metal goods, and industrial raw materials.

Qualified observers say that the reason for the upturn in trade are: (1) producers in China are exporting goods as a means of moving their capital out of the country; (2) the CCP government is endeavoring to build up exchange reserves abroad in order to import goods of military importance, which are the main items going from Hong Kong to Tsingtao, such as gunny bags, cotton, kerosene, gasoline, and crude oil.

- 1 -

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Goods coming out of Tsingtao include special North China, Shantung, and Shanghai manufactures. Among these are: from Shanghai -- cotton goods, metal goods, thermos bottles, soap, toothpaste, and vegetable oils; from Shantung -- native spaghetti, fresh eggs, jujubes, hairnets and lace, strawbraid, and Shantung silk.

In spite of the increasing share of the government in trading, privately handled exports are also increasing. In addition to the reasons given above for the increase in exports, some observers believe that a lack of domestic market is compelling producers to export goods that would ordinarily be sold domestically.

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- 2 -

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